

**BELLSOUTH**

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**EX PARTE**

July 7, 1997

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street N.W., Room 222  
Washington, D.C. 20054

**RECEIVED**

JUL - 7 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: CC Docket No. 95-116, Number Portability

Dear Mr. Caton:

On Thursday, July 3, 1997, Mr. Dennis Davis, Mr. John Mast, Mr. Bill Shaughnessy and the undersigned of BellSouth met with Mr. Jose Rodriguez, Mr. Thaddeus Machcinski and Ms. Debra Weber of the Accounting & Audits Branch of the Common Carrier Bureau regarding the above noted docket. We discussed how number portability works, our position on cost recovery and how these costs will be accounted for. The attached document served as the basis for our discussion.

Two copies of this notice are filed in accordance with Section 1.1206(a)(1) of the Commission's rules.

Please call me with any questions on this matter.

*Cynthia Cox*

cc: Jose Rodriguez (w/o attachment)  
Thaddeus Machcinski (w/o attachment)  
Debra Weber (w/o attachment)

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Date

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# *Local Number Portability* *LNP*

BellSouth Telecommunications,  
Inc.

July 3, 1997

## **Costs Necessary for LNP**

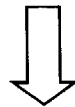
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**TYPE 1:** Costs of Installing & Administering Regional NPAC  
Plus

**TYPE 2:** Direct Carrier- Specific Costs  
*Equals*

**Total LNP Costs**

***FCC recognizes that (FCC Order 97-74, para 19) “all interconnected carriers are all likely to rely on each other’s network...”***



- All Type 1 & Type 2 costs must be incurred for LNP to be successful;
- All Type 1 & Type 2 costs must be treated the same.

## ***BellSouth's Type II Costs Include***

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- Equipping end offices switches with LNP software,
- Upgrading switch processors,
- Establishing a local SMS,
- Modifying & adding SS7 network links,
- Modifying SCPs necessary for LNP,
- Capacity enhancements to STPs
- Modifying Line Information Data Bases (LIDB)
- Modifying Operator Services switches
- Modifications to make legacy support systems LNP capable. ***BellSouth has identified over 42 + systems that will require modifications for LNP.***
- Developing an electronic communications interface for service provider to service provider communications,
- Testing LNP in our labs, on an intra-network basis and on a inter-network basis
- Costs associated with advancement, due to LNP, of a planned network addition,
- Costs of performing switch translations,
- Costs of database look-ups (DIPS) for non-LNP capable networks,

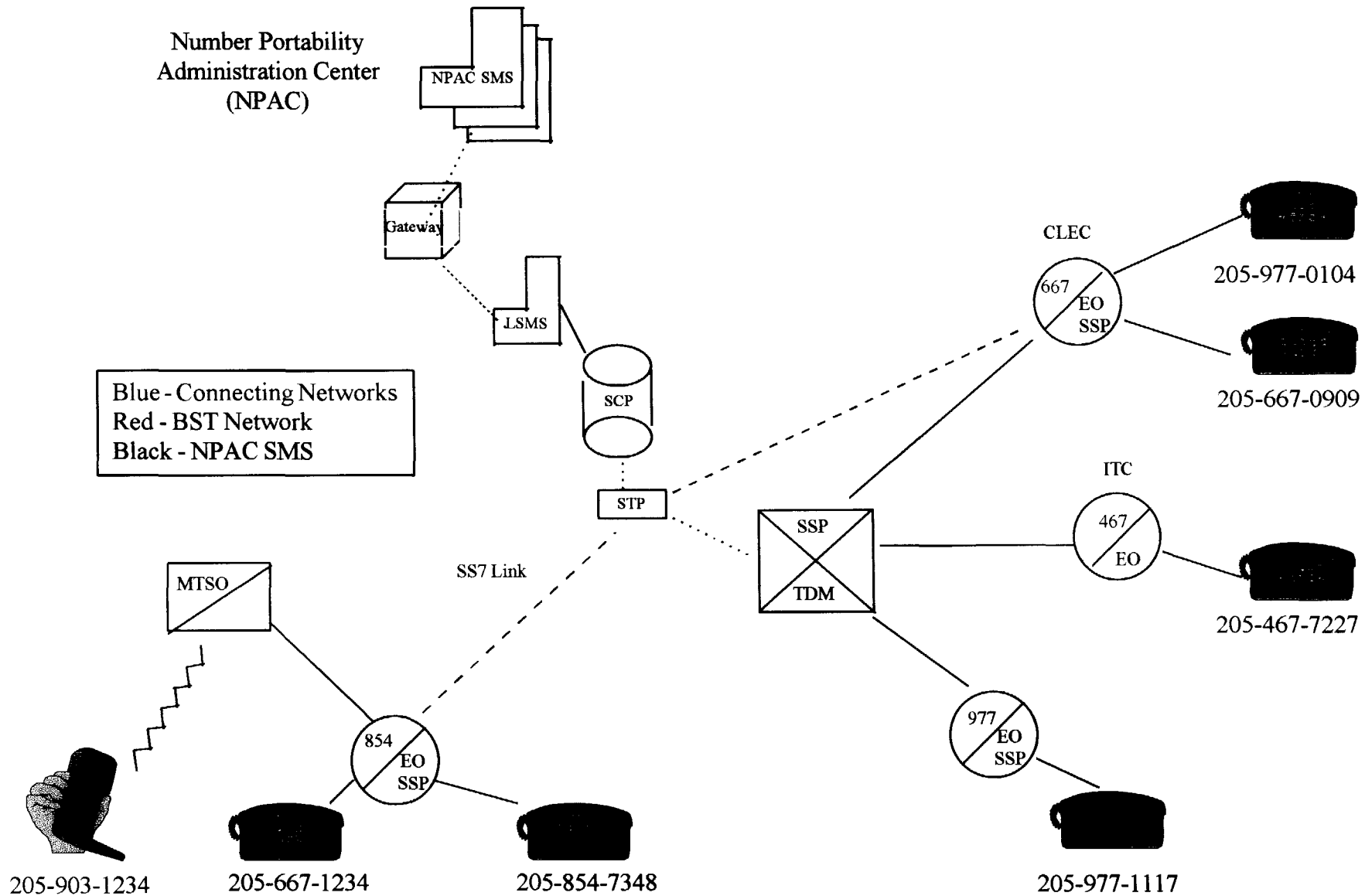
## ***What Are the Drivers of LNP ?***

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### ***LNP is a new call processing paradigm ...***

- Which results in a new architecture for call completion that requires:
  - Capacity requirements (e.g. switch processors, SS7 links, LNP SCPs)
  - Intelligence to complete call (e.g. switch software, AIN software development)
  - Ability to exchange data between networks (e.g. NPAC SMS, provisioning & repair gateway)
- Which puts new demands on Customer's Service Assurance Levels that requires
  - *Fundamental* changes to existing Legacy Systems (e.g. Billing, provisioning, ordering and maintenance)
    - To date forty-two (42) systems are being redesigned; Expectations are more will follow.

# Call Completion Process



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## ***BST Local Number Portability***

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### ***Cost Tracking & Review :***

- Established unique Plan IDs to track costs in accounting systems
- Track incremental direct costs only
- Detail of charges reviewed monthly by Accounting representative and Project Manager

# BST Local Number Portability

## Projected Costs -- Capital (\$M)

	<u>Account</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	
<b>AIN Elements</b>						
	2210	16.4	25.9	8.8	0	51.1
	2124	0.2	0.3	0	0	0.5
<b>Network Elements</b>						
	2210	14.9	18.8	11.2	5.4	50.3
	2230	0.8	1.6	0.8	1.1	4.3
<b>OSS</b>	2124	24.3	10	10	0	44.3
<b>Electronic Communications</b>						
	2124	2	0.9	0	0	2.9
<b>Operator Services</b>						
	2220	1.2	0.5	0	0	1.7
<b>LNP Prog. Mgmt. Office</b>						
	2210	0.1	0	0	0	0.1
		59.9	58	30.8	6.5	155.2
						total

**Account 2124:** General Purpose Computers  
**Account 2210:** Central Office Switching (2211 & 2212)  
**Account 2220:** Operator Systems  
**Account 2230:** Central Office Transmission (2231 & 2232)

**NOTE:** Amounts above reflect best estimates at this time and do not necessarily include all costs that will be incurred.

# **BST Local Number Portability**

## **Projected Costs -- Expense (\$M)**

	<u>Account</u>	<u>1996/97</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	
<u>EQUIPMENT</u>						
AIN Elements						
	6210	19.4	29.8	11.1	0	60.3
	6720	0.2	0.3	0	0	0.5
AIN SSP RTU	6210	18.5	26.5	28.3	0	73.3
AIN SSP Feature Activ. Charge						
	6210	0.2	0.2	0.2	0.2	0.8
Billing Systems	6720	3.2	2.4	1.8	1.2	8.6
Network Elements						
	6720	1.1	1.3	1.1	0.3	3.8
OSS	6720	41	21.1	21.1	6.1	89.3
EC -- Gateway	6720	8.8	3	0.3	0.2	12.3
EC -- TAFI	6720	1.7	0.5	0	0	2.2
Operator Services	6220	0.7	0.6	0	0	1.3
		94.8	85.7	63.9	8	252.4
						subtotal

**NOTE:** Amounts above reflect best estimates at this time and do not necessarily include all costs that will be incurred.

# BST Local Number Portability

## Projected Costs -- Expense (\$M)

	<u>Account</u>	<u>1996/97</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	
<b><u>FORCE</u></b>						
Network	6530	1.1	1.2	2	0.3	4.6
Other	6720	21.3	8.8	2.7	0.8	33.6
		22.4	10	4.7	1.1	38.2
						subtotal
<b><u>MISC.</u></b>						
Bellcore	6720	0.7	4	0	0	4.7
Other	6720	2	0.7	0.3	0.3	3.3
		2.7	4.7	0.3	0.2	8
						subtotal
total expense		119.9	100.4	68.9	9.3	298.6
total expense & capital		179.8	158.4	99.7	15.8	453.8

Account 6210: Central Office Switching Expense (6211 & 6212)  
 Account 6220: Operator Systems Expense  
 Account 6530: Network Operations Expense (6534 & 6535)  
 Account 6720: General & Admin Expense (mostly 6724, Information Management)

**NOTE:** Amounts above reflect best estimates at this time and do not necessarily include all costs that will be incurred.